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MEMORANDUM

Soviet and Chinese Aid to North Vietnam

Military Aid

1. Military aid to North Vietnam from the USSR and the PRC dropped sharply in 1973. Although the sharp reduction in photo-reconnaissance over North Vietnam -- our best and most timely indicator of military imports -- has made it difficult to estimate the value of these shipments, we believe that Soviet military aid to North Vietnam in 1973 probably amounted to only about \$150 million, less than half the 1972 level of some \$355 million and the lowest amount since 1970. Of this total, about two-thirds consisted of air defense equipment.

2. Similarly, Chinese aid to North Vietnam probably also decreased sharply, from about \$215 million in 1972 to about \$100 million last year.

3. The following table shows estimated values of military aid deliveries by the USSR and PRC since 1968.

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	Millions of US Dollars						
	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973*</u>	<u>1968-73</u>
USSR	415	175	90	160	355	150	1,345
PRC	115	140	100	110	215	100	780
Total	<u>530</u>	<u>315</u>	<u>190</u>	<u>270</u>	<u>570</u>	<u>250</u>	<u>1,125</u>

* Preliminary

The composition of this aid also showed marked change last year. In contrast to 1971-72, when North Vietnam received many new weapons from the USSR, such as the SA-7 antiaircraft missile, the AT-3 wire-guided missile and the 160-mm mortar, in preparation for the 1972 spring offensive, military aid since the 27 January 1973 ceasefire agreement has concentrated on strengthening Hanoi's in-country air defenses and maintaining existing stocks of military equipment. Except for the SA-3 missile system and several new types of radar, the Soviets delivered no new weapons systems to North Vietnam during 1973. There is indirect evidence, however, that North Vietnam's stocks of SA-2 missiles were at least partly replenished during 1973. North Vietnam also strengthened its air defenses with the acquisition of two additional radars -- the FLAP WHEEL and TALL KING -- probably received during 1973. Since the ceasefire, there have been a few documented instances of Soviet deliveries of ground forces equipment, suggesting that shipments of these items from the Soviets have fallen off sharply since 1972.

4. Although no concrete evidence on the amount of military aid North Vietnam will receive during 1974 is available, deliveries probably will continue, but at a reduced level from 1973. During June 1973, North Vietnam signed a military and economic aid agreement with China for 1974, and in October signed an additional protocol for military aid. The protocol probably delineated the specific details of the agreement worked out in June. In contrast to China, the USSR signed only an economic aid agreement with North Vietnam in July; no formal military aid agreement was announced. We do not know why a formal military aid pact was not publicly mentioned, although it could be related to the Soviet concern for detente with the US. Despite Moscow's apparent reluctance to sign an agreement, the USSR did continue to ship military supplies to North Vietnam

in 1973. The reduced level of shipments probably reflects concern with US relations, but it also conforms to Hanoi's lower requirements. We have no way of judging which of these two factors is the more important one.

Economic Aid

5. Economic aid of about \$385 million from the USSR and China in 1973 supplied essential commodities to North Vietnam and probably provided reconstruction assistance roughly equal to Hanoi's current needs. As in years prior to the mining of the ports in 1972, the level of Communist economic assistance in 1973 appeared to be closely related to Hanoi's requirements. Although the value of Soviet assistance apparently fell below even the depressed level of 1972, the decline probably resulted from shipping restraints at Haiphong and the long lead times necessary for damage surveys and reconstruction planning. Chinese assistance rose sharply over earlier levels because of North Vietnam's continuing heavy reliance on overland transport for food, petroleum, and other goods. Estimated aid receipts from the two major suppliers since 1968 are as follows:

	Million US Dollars					
	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973*</u>
USSR	305	385	345	315	200	185
PRC	120	90	60	100	85	200
Total	<u>425</u>	<u>475</u>	<u>405</u>	<u>415</u>	<u>285</u>	<u>385</u>

* Preliminary

6. Soviet and Chinese support for North Vietnam has been reaffirmed repeatedly since the ceasefire in aid agreements, the travel of Communist technicians to North Vietnam, and large-scale shipments of goods. Aid receipts in the first quarter of 1974 continued last year's upward trend in food deliveries from both suppliers and in capital goods imports from the USSR. Future changes in the level of food imports will depend on North Vietnam's own supply situation, but capital goods imports are likely to rise for the next couple of years -- barring a resumption of full-scale warfare.